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Management Consulting Labs – Galp Loyalty

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Abstract

The objective of this consulting project was to assist Galp Energia in its approach to loyalty. In order to do so, two hypotheses were defined. The first assumed there was value to capture in the existing approach. The second held that it was possible to create value through a radically innovative approach. The methodology used to corroborate those hypotheses encompassed several quantitative analyses, as well as desk research and market research. As a result, a compilation of recommendations comprising implementation proposals that considered both hypotheses as valid was presented in order to suggest a paradigm change.

Keywords: Loyalty, Galp Energia, Value, Fuel Retail Market

1. Brief context: the client, its industry and current situation

The client of this project was Galp Energia, the only Portuguese Oil & Gas Company. This firm is a global company that operates in 13 countries[1]. In Portugal, it leads the fuel retail market (with a market share of 34%[2]), as well as the Natural Gas market for private consumers (with a market share of 81%[3]). Apart from these two sectors, which represent the core of Galp's operations, it also operates on the electricity market. Moreover, in the sectors of Oil & Gas Galp Energia is a firm that operates in the whole value chain, this is, performing from a range of upstream activities (exploration and production) to downstream activities (refining, retailing and marketing). In 2010, it registered a sales value of €13.998mn (millions) and a net profit of €306mn (which represents a growth rate of 43,6% comparing to 2009) (Galp Energia, 2011).

Being focused on commodities, Galp operates in very particular industries with some constraints and specificities that influence its way of doing business. For instance, in the Oil industry the firm is subject to the quoted price of this commodity. This means that the company does not have much room to define the final price of fuel since it is based on the international quotations defined for the fuel (on the Platts market, in Rotterdam), which is influenced by the international quotations defined for the oil (on the Brent market, in London) (Rodrigues, 2009). Furthermore, the majority of the price is thereafter subject to heavy taxes[4], especially in Portugal, reducing even more the control over the final price and making the fuel retail industry characterised of very low

[1] Galp Energia. Information accessed on December 28th, 2011, through http://www.galpenergia.com/PT/agalpenergia/Paginas/GalpEnergiaRelance.aspx
[2] Galp Energia. Accessed on December 28th, 2011, through http://www.galpenergia.com/PT/investidor/ConhecerGalpEnergia/Os-nossos-negocios/Refinacao-Distribuicao/Distribuicao/Paginas/Retalho.aspx
[3] Galp Energia. Accessed on December 28th, 2011, through http://www.galpenergia.com/PT/agalpenergia/Os-nossos-negocios/Gas-Power/Gas-Natural/Comercializacao/Paginas/Comercializacao.aspx
[4] Diário de Notícias. Accessed on December 28th, 2011, through http://www.dn.pt/bolsa/interior.aspx?content_id=1335523

margins[5]. Moreover, the industry of Gas has also some features: though Galp operates in a regulated market and has a dominant position over that, the expected liberalisation of it in 2012[6] can threat that position and constrain the way it performs in the market.

Given that the core business of Galp Energia is the fuel retail (due to not only the weight of sales but also to its history), it is important to notice that its market share has been eroding in the last years[7]. This effect was felt in the light of the liberalisation of the market in 2004[8], with the entrance of *Hypers* in it, which started to gain power and expression particularly when the worldwide crisis of 2008 hit Portugal[7]. Fundamentally, *Hypers* gained market share in those years due to the particularly high prices charged in the market at that time, offering a lower value proposition with a lower price, thus making pressure on the price factor and contributing to make people more aware of it (which contributed to increase the level of importance of this factor). Essentially, the high level of competitiveness and the pressure on the price factor is affecting Galp and can, in the future, put its leadership at stake. Therefore, this problem, associated with the difficulties in generating loyalty in a commodity's market as this one, is at the very essence of the main issue of this consulting project.

2. Reflection on the content done for the client

2.1 Problem definition

It was in the context described above that Galp was approached by the management consulting lab of NOVA. In this sense, the project was based on a main problem, which was presented by the client and then structured by the NOVA's team with the creation of work hypotheses. The main problem was defined as the following question:

[5] Público. Information accessed on December 28th, 2011, through http://www.publico.pt/Economia/petroliferas-dizem-que-nao-tem-margem-para-baixar-precos-dos-combustiveis_1330227
[6] ERSE. Accessed on December 28th, 2011, through http://www.erse.pt/consumidor/Paginas/ExtincaooTarifasReguladas.aspx
[7] Apetro. Information accessed on December 28th, 2011, through http://www.apetro.pt/documentos/postos_comb.pdf
[8] Apetro. Information accessed on December 28th, 2011, through http://www.apetro.pt/index.php?option=com_content&task=view&id=76&Itemid=121

How can Galp redefine its approach to customer loyalty in the fuel retail market?

The relevance of this problem is noticeable given the current context of the company. As it was stated above, the Portuguese market of fuel retail was very different before 2004[9]: the market was not liberalised, the economic conditions were really different and the *Hypers* were not competitors since they could not enter in the market. Nowadays, with a lot more competition and pressure on the price factor (given the recent economic turmoil, the presence of low-cost players such as the *Hypers*, etc.), the old management approach needs to be reviewed. And so does the loyalty approach. In this sense, the discussion of this question is important and defines the problem that was placed to the NOVA's team in the context of the project.

Personally, I think that the problem was well defined. It had a comprehensive approach, looking at the economic context and also to the current situation of the company and putting the whole issue in perspective. Actually, the question goes straight to the point: given the tools that Galp can use to bounce back its performance, how can it generate loyalty by analysing its approach in a holistic way?

2.2 Hypotheses

At the initial conversations the client asked for radically new ideas to the approach to loyalty, which could even have nothing to do with the existing one – the mindset was to generate ideas from scratch. The main goal of this new approach would be to effectively address and mitigate the main problem identified. Nevertheless, the team's vision of the correct approach to this problem was a little bit different. In fact, the team defined two main hypotheses to be analysed, which were the fundamental basis of the approach to this project. These hypotheses were structured in a sequenced way, which is consistent

[9] Apetro. Information accessed on December 28th, 2011, through http://www.apetro.pt/index.php?option=com_content&task=view&id=76&Itemid=121

with the approach taken. The first hypothesis assumed there was value to capture in the existing approach to loyalty, which could be incorporated through the quest for incremental improvements. This hypothesis was the first because the eventual knowledge that could be taken from it would be really useful to feed and to enlighten the second hypothesis. Therefore, the second hypothesis assumed that it was possible to create value through a wholly new approach to loyalty, reinventing the paradigm and searching for radical innovation (which actually reflected what was asked and wanted by the client). The scope of these hypotheses was defined as being the private consumers of the fuel retail market in Portugal, though there were some other business areas and markets that could be included punctually if they added value to the hypotheses defined. In this sense, the two main hypotheses represented the whole picture of the team's approach and would be later deconstructed in several work fronts and analyses that constituted the work done for this project.

In my viewpoint, the definition of hypotheses made by the team was the most accurate approach because it represents a broader view of the problem in all of its dimensions. If the approach followed only the focus of the client, it would definitely lose the benefit of looking for what was done, understanding and realising if there was value to add and absorb, and learning from it to then provide a valuable input to the second one.

2.3 Analyses, work and recommendations

<u>Analysis of the work done until the first Progress Review</u>

The work and the analyses to be made were performed in a sequenced way, according to the hypotheses defined by the team. The deadlines and times to complete the tasks had changed during the project, which reflects the evolution and adjustment of the work plan given the different challenges and difficulties that emerged. Actually, in the beginning of the project the kick-off was postponed one week from the original schedule, which affected the primary dates of the Progress Reviews (see exhibit 1 for a detailed final schedule of the work plan). Though, the team started to work in the week before the kick-off, making desk research about Oil & Gas companies and best practices on loyalty. This was useful to build a knowledge base about the subject of the project.

After the kick-off, the work was structured in several work fronts that were allocated to the different team elements, taking into account the time horizon of five weeks until the first Progress Review. In this first phase of the project the time and resources were mainly allocated to the appraisal of the first hypothesis. Hence, each element of the team started by assimilating the analyses already made by Galp to the existing loyalty program, in a work front called *existing intelligence* that took no more than one week and a half. Furthermore, there were other two work fronts being performed in parallel with the former. One was the work front called *desk research*[10], which comprised a research of the best practices of the industry in order to provide the team with an external benchmark. The other one was the so called *new data mining*, which lasted five weeks until the Progress Review and encompassed several analyses divided by five work areas: study of the trends of the existing loyalty program, analysis of new ways of measuring and rewarding customer loyalty, understanding of the nuances of the human psychology that could be exploited, study of the possibility of offering rewards that exploit other dimensions than the more functional ones, and lastly the customisation analysis. Each of these work areas had one responsible, though sometimes the work was conducted in pairs. Clearly, in terms of workload, this work front was the one that had occupied most of the team's time and effort, a fact that was reinforced by the difficult

[10] This work front "officially" lasted two weeks and a half, though it was taken in parallel during the project and performed by each element of the team whenever it was required

access to important information that was not correctly (or at all) provided by the client. This difficulty caused delays in some of the work areas, especially in the one of analysing new ways of measuring and rewarding customer loyalty, which was incomplete one week before the Progress Review and had to be worked out through simulations (without the relevant facts) in order to make the team's viewpoint and to be on the Progress Review's content. Moreover, it is important to remark that the team realised one week and a half before the Progress Review that there was one important work area missing in this work front. Basically, the team realised that its approach to the existing loyalty program was incomplete, missing the study of price mechanisms. This analysis was important given the current context (in which price is an important factor) and given the possibility to generate loyalty through those tools. Thus, this work area was added to the *new data mining* work front, being analysed in one week in order to be included in the content of the Progress Review. Finally, the *new market research* (which would give inputs both for the first and the second hypothesis), as well as the *existing research* (which was the assimilation of the research previously made by the client) and *desk research* concerning the second hypothesis, were postponed and had a shy start only before the first Progress Review, with the definition of some details (since they would be further developed in the work to the second Progress Review). Obviously, the *systematisation of conclusions and recommendations* started a week before the Progress Review, having lasted until the end of the project.

In my perspective, though there were some work areas that were identified a little bit late, generally the work fronts were well defined. They fitted and supported the hypotheses defined in a comprehensive way and corroborated those same hypotheses, in this case especially the first one (in which I consider that the *new data mining* work front was the one that added most value, formulating most of the content for the first Progress Review). Nevertheless, looking objectively at the work done until this time I think that some things should have been done differently. First, we should have anticipated the difficulties in terms of accessing information (especially given the low level of trust that the client had on us) and come out with a plan B sooner (particularly for the work area that was most late in terms of work done, the analysis of new ways of measuring and rewarding customer loyalty). Second, we should have taken a more holistic view at the beginning to realise that in fact loyalty goes beyond the existing "official" program, which would influence the first definition of work areas within the *new data mining*, avoiding the addition of work areas and the performance of analyses really close to the Progress Review. In addition, we should have been more careful in asking information for the new work area, since the lack of involvement of the client in the process and the absence of justified and solid explanations influenced both the level of trust and the way the client saw us (considering that we were lost). Ultimately, we should have defined better the allocation of resources because sometimes two elements of the group were performing a task that one could perform, disregarding other important work areas and causing delays on the work done (though I consider that in some work areas having two elements performing them was the best approach to take).

The first Progress Review: output and recommendations

In the first Progress Review it was formally presented the diagnostic of the existing approach to loyalty assuming two different perspectives: one based on its evolution along the years and the other based on a comparative analysis of it with the best practices on loyalty (for instance, what can the existing approach to loyalty improve relatively to the best practices). The content presented included the six work areas developed in the *new data mining*: the study of the trends of the existing loyalty program; the analysis of new ways of measuring and rewarding customer loyalty; the appraisal of the nuances of the human psychology that could be exploited; the study of the possibility of offering rewards that exploit other dimensions than the more functional ones; the customisation analysis; and the study of price mechanisms. Though the recommendations on these subjects were not comprehensive implementation plans, they were orienting proposals that guided the client through their operation and implementation. In this sense, the recommendations presented allowed to convey some key messages that corroborate the hypotheses assumed by the team: firstly, it was proved that there is value to capture in the existing approach to loyalty by implementing some incremental improvements; secondly, the potential value creation with the redefinition of the approach to loyalty is huge, which was confirmed by some insights taken of the analysis of the existing approach. It is relevant to state that this Progress Review aimed not only to recommend some actions to implement but also to help the client to prioritise the work areas to be further analysed by the team and to define the ones that need to be internally discussed. This way, in the end of the Progress Review the client decided to take the customisation and the price mechanisms to internal consideration concerning its implementation and asked for a deeper analysis on the other work areas, including the work to be carried on the second hypothesis.

In my opinion this Progress Review was a success. We figured out that our hypotheses made sense and were supported by facts, and we could successfully present them to the client. I think that the high value of the recommendations allied with the success of the presentation (although some of us were a little bit nervous, we communicated the message in an effective way) caused a good impression on the client and made us more reliable, which would be reflected on the rise of the level of trust between the team and the client for the second work phase. Regarding the recommendations, I think that the client should have been more concise and focused on choosing priorities, since it asked too much in terms of work fronts considering the work that was to be made in the second period. Even so, the recommendations that are expected to add most value in my opinion are the ones related with: customisation (because it allows to increase customer satisfaction and engagement with the loyalty program through less standard and more tailored offering); the study of the possibility of offering rewards that exploit other dimensions than the more functional ones (because it allows to increase customer satisfaction and engagement with the loyalty program through exclusivity); and with the analysis of new ways of measuring and rewarding customer loyalty (because it promotes greater alignment of the company's loyalty investment with the consumer's loyalty behaviour at an individual level). Basically, they confirm the incremental value of the first hypothesis and the potential value creation of the second one.

<u>Analysis of the work done until the second Progress Review</u>

In this second period of work the sequence of activities defined in the work plan was kept, with the difference being the number of work areas to develop in the *new data mining* work front. Given that the client prioritised four work areas, these were further analysed and developed. Thus, the *new data mining* lasted four weeks and proceeded with following work areas: the analysis of new ways of measuring and rewarding customer loyalty (with a further exploration of different methods of estimating new variables and of an analytical method through a solution in partnership); the appraisal of the nuances of the human psychology that could be exploited; the study of the possibility of offering rewards that exploit other dimensions than the more functional ones; and the study of possible improvements in terms of communication. Additionally, other work fronts were carried out in parallel with this work front. First, the *new market research* started "officially" in this second period, being conducted a qualitative research through focus groups and on-the-spot interviews. This work front lasted three weeks and kept the team very busy due to the logistical arrangements and other details that had to be fulfilled. In addition, the *ideation* work front started at almost the same time, lasting for two weeks and being constituted of two brainstorming sessions. Also, there was place to the continuation of the *desk research* and *existing research* work fronts during three weeks (punctually and whenever necessary), which would provide inputs to the second hypothesis. This time the team's elements were concretely allocated per work area in the *new data mining* (one maximum responsible per work area, with the work being developed in pairs in all the work areas). However, considering the high number of work fronts to deal with and the number of interrelationships between them and the hypotheses defined (sometimes a work front fed up either the first or the second hypothesis), it was necessary a continuously work of systematisation. Hence, the work front *systematisation of conclusions and recommendations* was carried on until the second Progress Review. This work front was crucial because it allowed to "join and assemble the pieces of the puzzle" (allowing to systematise all the work done in all the work fronts), and to build up effective recommendations for the Progress Review. Nonetheless, due to the intense workload during these five weeks, this work front was performed more intensively in the last week and a half. This fact had an important consequence, since the team realised only one week before the Progress Review an important conclusion: the work area of "communication" would be abandoned due to the lack of relevant and added value content, being substituted by a new work area. This work area was related with an approach beyond the loyalty program, implementing some smooth changes in other areas that would indirectly generate loyalty. The potential value creation of this work front was high and it was based on a detail of the market research, as well as in some ideas discussed in the ideation sessions.

Taking into account my standpoint, I believe that the work fronts were again well defined (though there was a swap in terms of work areas, I believe that this change was correct given that the work area that was abandoned did not add significant value to the project). The work fronts that were developed for the Progress Review were all important to support the initial hypotheses and all of them added value to the project (I believe that the work fronts that added most value in this second period of work were the *new data mining* and the *new market research*, taking into account the major insights and the relevant information that were taken out of them). Regarding the drawbacks, though I felt that the level of trust that the client had on us increased, I think that there was still some opposition (by some elements) to some of the most important ideas of our work, which could have been overcome with a further involvement of the client in the process. Also, I consider that we failed in terms of the allocation of resources and time. Although the workload was huge and even considering that there were a lot of work fronts to deal with, I think that we should have done things differently. We should have worried more about the *systematisation* work front, allocating a maximum responsible that would perform the work intensively along the five weeks. Even if this implied to have a work area with the work performed individually, it would be better because it would allow to realise the main conclusions and recommendations sooner. Lastly, although we have concretely defined the responsible for each work area and its respective team mate, this structure changed in the middle of the second period of work due to some team's attrition, which I think that hindered a little bit the project's progress, as well as the team's cohesion. For instance, it forced me to change to a completely new work area two weeks before the Progress Review. In this case, I think that we should have been strict in keeping the division of work areas to avoid unexpected and problematic changes.

The second Progress Review: output and recommendations

In the second Progress Review the assessment of the first and of the second hypothesis were already done. Therefore, the content and the recommendations had a more holistic view of the problem, providing a comprehensive path to the "solution". The content that was formally presented included not only the further analysis and concretisation of the work areas prioritised by the client in the first Progress Review but also new work areas and approaches that went even beyond the loyalty program per se. So, the content comprised recommendations on the following subjects: the analysis of new ways of measuring and rewarding customer loyalty (proposing different methods of estimating new variables as well as an analytical method through a solution in partnership); the appraisal of the nuances of the human psychology that could be exploited (which was divided in two subjects, comprising an analysis of the introduction of new technologies); the study of the possibility of offering rewards that exploit other dimensions than the more functional ones; and an approach beyond the loyalty program, implementing some smooth changes in other areas that would indirectly generate loyalty. In this way, the key message of this "pack" of recommendations is clear: the team's approach propose a paradigm change in terms of customer loyalty. The hypotheses were corroborated with facts, existing value to capture from the existing loyalty program and value to create and appropriate in searching for radical innovation. Thereby, the team's proposal suggests a pragmatic approach to loyalty that combines both hypotheses, implementing some incremental improvements in some areas and radically innovating in other ones. In the end of the presentation the client was again asked to prioritise subjects, which did not occur. Actually, the client found the content of the Progress Review excellent, referring that the team made an extraordinary job in its approach to solve the problem, and thus it was argued that there was a large amount of good material (in terms of recommendations that were almost final and implementable) that needed to be considered internally before its implementation. Therefore, the client called the end of the project after the second Progress Review, having a total duration of ten weeks instead of the initially planned thirteen.

In fact, I believe we have made an outstanding job, especially in this Progress Review. The recommendations presented had an enormous value, corroborating the two hypotheses initially defined. The model of paradigm change proposed by us is a very pragmatic and implementable example of how to redefine a customer loyalty approach, addressing the major problem and having extremely potential to create value and to actually solve it. Therefore, I think that this fact contributed to finish the project sooner than the expected. Essentially, I consider that we overcame all the expectations, creating a comprehensive and holistic approach to loyalty that made the client really pleased with the output. I also think that these recommendations will be implemented after internal consideration and approval of the board. The ones that I expect to add the most value are the ones related with: the analysis of new ways of measuring and rewarding customer loyalty; the study of the possibility of offering rewards that exploit other dimensions than the more functional ones; and with the approach beyond the loyalty program (due to its potential to indirectly generate loyalty). In essence, they represent the most notable and underlying changes in what concerns the paradigm shift.

3. Reflection on learning

3.1 Previous knowledge

Looking back to the Masters courses that I did, I can recognise some of the main content that was useful and directly applied to this project. More specifically, I consider that I applied some concepts of the course of Project Management, since me and my team mates had always to manage in an efficient way the allocation of time and resources to the different work fronts. In addition, we had also to plan the work ahead (using Gantt charts) and to prioritise activities to do, which were matters covered in this course. I had also found the course of Statistics very useful, providing me the necessary knowledge to perform several different analyses using averages, correlations, regressions, etc. Moreover, I had to use some of the skills learnt in the course of Negotiation since we had multiple interactions with the client in which most of the times we had to negotiate the conditions of some agreements, as well as negotiating some details of the suggestions and proposals made. Lastly, I had also applied concepts of Marketing in order to better understand the meaning of customer loyalty, as well as the customer's behaviours, attitudes, needs, expectations and wants.

Considering the value of this "previous knowledge", I think that it is significant and pleasant to look back and realise that the Masters prepared me to face the job market with specific knowledge that is applicable and useful. Nonetheless, there were some skills that I clearly lacked and that had to be "adjusted". For instance, though during the Masters I did various presentations, I evidently lacked the most effective way of structuring, constructing and communicating the slides, which was truly relevant, especially for the Progress Review's presentations. Also, despite the fact that I had made a number of works on excel along the Masters, there were some excel skills (in terms of functions and formulas) that I markedly lacked and that were important to perform fundamental analyses. Thus, these skills were "adjusted" and complemented with the new knowledge acquired in the project.

3.2 New knowledge

Apart from being an excellent experience in terms of work and personal development, this project was truly a comprehensive learning experience. In fact, I learnt a lot, and most of this "new knowledge" was transmitted by the project supervisor. Thus, it is vital to refer the major concepts learnt in this project divided by specific knowledge areas.

<u>Tools and frameworks for Problem Solving</u>

During the project I got acquainted with new concepts and methods that I learnt in the problem solving sessions. These concepts and methods were key to structure the way work was carried out along the project. The first framework that I learnt to use was the **80/20 rule**, most known as Pareto rule, which states that 80% of the results are generated by 20% of the causes[11]. This rule revealed as a powerful tool for organising and prioritising the work, being used in several analyses that we made. Thus, I learnt how to structure the problem solving and "where to look" when analysing a specific problem. Regarding prioritisation, I got familiar with a method of prioritising issues that demonstrated to be really useful. The **prioritisation matrix** is an effective framework that allows the user to positioning issues in a matrix (constituted by two axles, in which the dimension of actual importance/relevance is compared with the one of growth potential). In addition, there is also a slightly different version in which it is possible to rank issues taking into account the dimensions of feasibility and impact. This tool was

[11] Mindtools. Accessed on December 30th, 2011, through http://www.mindtools.com/pages/article/newTED_01.htm

extremely important when we had to prioritise issues and work fronts, given the huge amount of work to do. In fact, I learnt that it is important to use this method when there are many issues to develop and limited/short period of time to do so. Additionally, I got acquainted with other important learning, called **"Don't boil the ocean"**. Basically, it states that we should work smarter and do not try to analyse everything, given that there is plenty of data out there that are related to the specific problem that is being studied (Rasiel, 1999). This learning was extremely useful to the project because we applied it not only to define objectives that should be focused on solving the specific problem, not the world around it, but also to help the client to define its own objectives in the approaches taken. Hence, I learnt that I should be selective in terms of the information used and the analyses performed in order to solve a specific problem. Other rule of thumb that I got familiar with was the **MECE** one. MECE stands for *mutually exclusive, collectively exhaustive* (Rasiel, 1999). This methodology is really relevant to structure a specific approach, considering that an accurate solution should be the most clear possible (with distinct and separate issues, and so *mutually exclusive*) and the most complete possible (with all the important issues covered, and so *collectively exhaustive*). I realised the importance of this in every approach we took, in every document we produced and in every solution delivered: they should be holistic (giving a whole picture of the matter) and at the same time unambiguous (avoiding overlap). Clearly, I learnt how to organise and structure our approaches and how to deliver comprehensive and improved solutions without wasting so many time. Also, I learnt that an approach to problem solving should be based firstly on a hypothesis and then structured to corroborate that hypothesis, working on the reasoning to do so. This **Hypothesis Driven** approach was truly relevant to our project because we structured it exactly on this way, which in the end gave us brilliant results. Ultimately, I got acquainted with new **Excel Tools** (such as learning how to effectively work with dynamic tables or how to use specific formulas and functions as the *"concatenate"* one) that allowed me to perform complex analyses and to understand their different uses and applications. Overall, I took away these tools and frameworks because they set up accurate approaches to different business problems, adding value when used.

<u>Tools and frameworks for Presentations/Communication</u>

This project was also extremely helpful in teaching me how to improve the documents produced and how to communicate them well. One of the frameworks that addressed this issue is the **Pyramid Principle**, which consists in a top-down approach developed by a former McKinsey Consultant that intends to catch the audience attention by creating stickiness in the way a presentation is communicated[12]. I learnt that this is a crucial tool to use not only when thinking in ways of presenting the work but also at the very beginning of the problem solving. It was truly useful in structuring our approaches (by putting the issues in a top-down perspective, formulating the sub-issues and the reasoning behind the main conclusion) and also in presenting them to the client (by presenting with a top-down approach, emphasising firstly the *so what* to make the main point and to catch the client's attention, and subsequently explaining the rationale and the analyses behind it), helping us to create better presentations. Furthermore, I got familiar with some concepts that taught me how to create effective presentations. First, to communicate well a presentation should tell a story to the client. For this purpose, a **Storyline** (which is basically a script of the presentation) and a **Storyboard** (which is an overall picture of the story in a frame just as a comic book) should be developed.

[12] Levo League. Accessed on December 31th, 2011, through http://www.levoleague.com/advance/communication-101-the-pyramid-principle/

This helps the construction of the slides, with each one having a strategic positioning and a specific purpose. In addition, each slide should be **“Self-explanatory”**, this is, it should be crystal clear and perfectly understandable without being presented (for this purpose it should include an **Action Title** that helps to tell the story and a **So What** to systematise the main conclusion). In order to help the slide to be synthetic and clear it is also important to use the **Wordsmithing** tool, which consists on synthesising the text of the slides. I learnt that these tools are really valuable for preparing presentations, making the slides simple and pragmatic. Lastly, I got acquainted with a pragmatic approach to construct a first draft of a presentation: the so called **Master Document**. The Master should be a hand-written draft of the slides that in our case was kept by one responsible (usually the project leader). I learnt that it allows to quickly construct a consistent draft that can provide a holistic perspective of the story in a single document that can easily incorporate several changes without conflict. Given the successful presentations done in the Progress Reviews, I took away these tools because they create huge value, allowing to communicate in a simpler, clearer and enhanced way.

Project Management/Time Management techniques

I also learnt some concepts of Project Management and Time Management that were helpful to the progressive development of the work. One of the lessons that allowed us to manage effectively the work fronts of the project in terms of resources and time allocation was the **“Divide to conquer”** concept. In order to deal with a high number of work fronts and to maximise the output given the resources and time available we have decided to name one maximum responsible per work area, dividing the work accordingly. In each work area the responsible was the single element in charge of making the interface between the team and the other stakeholders – client and supervisor. Nonetheless, this approach had also a cooperative dimension since the responsible was backed up by a team mate, developing the work in pairs. I learnt that this concept was vital to carry a project with an intensive workload since it allowed to manage the work wisely, allocating efficiently the resources and time to the different work fronts. Other important concept that I got familiar with was the one of **Rotating Leadership**. We defined a model of Rotating Leadership in the beginning of the project that allowed the team to change from leadership style once a while (the leader rotated weekly in the first month and every two weeks in the second month) and allowed the team elements to adjust and improve their leadership skills. The leader was responsible for "joining all the work pieces" and for being the most direct interface between the team and the supervisor. I realised this model was very important to know myself a little bit better, since I have changed my leadership approach along the project and adjusted it according to the circumstances, as well as to improve the management of the project.

Team dynamics/Client dynamics

In terms of team dynamics, this project taught me valuable lessons. One of them was the importance of defining **Team Rules**. Even though in times of intense workload those rules were not completely followed, their definition allowed the different team elements to define some priorities out of work and to actually balance better their life in terms of work/leisure. Other important learning was the relevance of **Feedback** in a project like this. From the very beginning the team implemented an open and pragmatic approach to feedback, which was two-way, specific (fact based), objective, constructive (impact on the self) and development-oriented. I learnt that this was crucial to adjust my behaviour and approaches to the problems, as well as to improve my work and interpersonal skills.

Regarding the client dynamics, I learnt how to perceive the interaction with the client and how to influence the level of trust. To this end, I got acquainted with the concept of **Trust**, which is reflected on the following equation:

$$Trust = \frac{credibility + empathy + reliability}{self\text{-}interest}$$

In this sense, I understood that to increase the level of trust it is necessary to generate empathy with the client, as well as to confirm that we are credible and reliable. This fact was confirmed by the development of the project. Actually, we had some difficulties in gaining the trust of the client, and given that we are students the level of credibility is low. However, after the first Progress Review we increased the level of reliability with the amazing job done. We also worked out the level of empathy, trying to generate a good environment and a good mood between the team and the client. These efforts led to an increase of the level of trust from the beginning of the project until its very end. Nevertheless, I realised that we could have a better effect on the self-interest dimension, promoting a deep involvement of the client in the project. Finally, I also learnt how to **Conduct a Meeting**, since its arrangement until its end. The process should start with its preparation, which should be scheduled with the client, stating clearly its rationale, the expected length and a summary of contents. Then the meeting should be carefully managed according to the contents proposed, being important to control in a strict way its duration and the issues discussed (to avoid losing focus). After all, a follow up e-mail should be sent referring the main conclusions of the meeting, in order to promote the expectations' alignment as well as to show professionalism, interest and reliability.

3.3 Individual reflection

Reflecting on my individual capabilities and skills, I believe I have some key strengths. One of my strengths is the **problem-solving skills,** since I am capable of identifying early-on what are the key issues that make-or-break a certain problem. Reflecting on the work done in the project, I identified the key issues of my work fronts earlier and I did the same in assisting my team mates in other work fronts. Moreover, I have good **analytical capabilities** and **Excel abilities**, being able to run complex analyses from the beginning to the end. For instance, I had to make some analyses involving correlations and I did it without losing track of what I was doing. Also, I have a **good oral communication** (with a mature, clear and well structured approach, which was reflected in the Progress Review's presentations) as well as skills on **written synthesis** (capabilities on synthesising the story and linking the *so what's,* which was noticeable in the summarising documents that I had to make). In addition, I am a **team player**, assisting my team mates whenever it is necessary and positively contributing to the team dynamics. Although this is my view in what concern my strengths, they were confirmed by the 360º feedback. However, there are other strengths that were referred in the feedback and which I did not acknowledge them until that moment. The new insights were: **autonomy and reliability in the work executed** (in which it was stated that I convey confidence and the ones around me trust that I will do things well and on time, even in pressured contexts), and ability to have a **holistic perspective** (having a consistent overview of the project and contributing across work fronts).

Nevertheless, I also know that I have some developing needs and some of them became evident during the project. One of them is the **lack of clarity in creating slides**, which became a problem when producing the presentation files to the client since some of the slides that I made were a bit unclear and difficult to read. I should work on this developing need by applying the pragmatic concepts about communication that I learnt in this project, practicing the creation of presentation files, and by keep looking for valuable tips in different sources, building knowledge around this matter. Other one is **thinking in retrospective**, since I dive too deep into the analyses and lose some perspective on where the work fits the storyline. This was manifested in some work fronts in which I lost time analysing them when actually they did not add value neither fitted the recommendations and the storyline. To work on this I should look to the problems with a different perspective, applying more the new concepts learnt during this project (in this case especially the Pyramid Principle). This will help me to think in the *so what* upfront and to structure the approach in a top-down perspective, improving the thinking process. Further, I should keep working on this by *"stepping back"* and constantly asking the "relevance question" at all the stages. The other aspect that I need to keep developing is **prioritisation**. In fact, I tend to get stuck on unnecessary details due to the continuous quest for analysing all the issues exhaustively. I felt difficulties in prioritising during the whole project, trying to cover issues that were not truly relevant. To mitigate this aspect I should put into practice the frameworks learnt, such as the 80/20 rule or the prioritisation matrix. This way, I can "choose my battles" and focus on what is really important. Lastly, there is another aspect that I need to keep developing further, which is a new insight taken from the project since I did not realise it before. This aspect is the **active participation**. According to the 360º feedback, the others around me feel that I could boost my contribution to the brainstorms and to the problem-solving sessions by bringing my strengths to surface. Therefore, to improve this aspect I should adopt a more active participation in these sessions, being less introspective and contributing more with assertive views.

Reflecting on a future career as a business consultant, I think that this project made me realise that this is the professional path that I want to follow. This position is supported by several arguments. First, consultancy is really a unique job. No other job covers the different business areas and issues that consultancy comprises. It has a huge level of flexibility, which implies working on very different industries in very different places. Furthermore, consultancy requires a constant thriving for innovative solutions to solve challenging problems, which is something that actually fits my strengths. Actually, I would really enjoy to be on a job that is not monotonous and that challenges my capabilities constantly. Second, consultancy involves several dimensions, such as trust, integrity, value creation, strategic perspective and impact, which are values that I consider important to have in a job. Third, consultancy embraces dealing continuously with different people with very different perspectives. A consultant has to be able to work with different teams in different projects, as well as to deal with different clients and to present the work to different elements of the client. This is a really interesting characteristic since it would allow me to improve my soft skills as well as to put in practice my strengths in which concern team dynamics. Last but not least, I believe that consultancy is the only industry in which a person can develop all of his/her capabilities to the maximum potential. A consultant is an individual that is complete, having a huge knowledge about several different areas and mastering it really well, and also knowing how to deal with the most extreme situations, either related with work or with interpersonal dimensions. This is fantastic because I think that I would truly develop in consultancy. Nonetheless, being a consultant is not only good things. Due to the level of performance and to the flexibility that it requires, consultancy could also influence negatively a person's life. The intense workload combined with the need to travel and to be always moving around (between office, client and occasionally other places) can extraordinarily affect the balance between work and personal life, sometimes constraining a person to do what he/she loves to do (in terms of hobbies/leisure). However, I believe that in a challenging professional context I would be motivated and able to overcome these drawbacks, as I did it in this consulting project. Thus, thinking specifically on this issue and taking into account the pros and cons of consultancy as well as the experience of this project, I do see myself as a future business consultant.

4. References

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5. Exhibits

Exhibit 1 - Work plan schedule of the project